



COMPTROLLER

UNDER SECRETARY OF DEFENSE  
1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100



JAN 20 1999

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (ACQUISITION AND  
TECHNOLOGY)  
UNDER SECRETARY OF DEFENSE (PERSONNEL AND  
READINESS)  
ASSISTANT SECRETARY OF DEFENSE (HEALTH AFFAIRS)  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTORS OF THE DEFENSE AGENCIES  
UNDER SECRETARIES OF THE MILITARY DEPARTMENTS

SUBJECT: Implementation Strategy Issue - Intragovernmental Eliminations

On November 19, 1998, I forwarded to your offices approved implementing strategies for achieving unqualified opinions on the Department's financial statements. Among those approved implementing strategies was an issue paper for "Intragovernmental Eliminations" (Issue E). Eliminating entries are required to offset the effects of transactions between organizational components within the Department as well as to offset the effects of transactions between the Department and other federal agencies. This implementation strategy issue requires that the Department analyze its seller-side interagency transactions and identify the major trading partners that make up the bulk of the interagency transaction balances, and review its capability to determine buyer-side interagency transactions and identify the major trading partners that make up the bulk of the interagency transaction balances.

Attached is a request for information on transactions between organizational components within the Department as well as transactions between the Department and other federal agencies. A coordinated effort is needed on the part of both program managers and the Defense Finance and Accounting Service to identify system sources and extract the necessary data from both the provider entity and receiving entity's perspective. The requested information will be used to develop Department-wide guidance and procedures for reporting elimination entries for the FY 1999 Chief Financial Officer financial statements. The required information, in specific formats, is due to this office by February 26, 1999. To assist in the preparation and forwarding of data in the required format, a hyper-link to the Under Secretary of Defense (Comptroller) home page on the Internet is included in the attached instructions.

My staff contact on this matter is Mr. Oscar Covell. He may be reached by e-mail: covello@osd.pentagon.mil or by telephone at (703) 697-6149.

A handwritten signature in black ink, appearing to read 'Alice C. Maroni', with a large, stylized loop at the end.

Alice C. Maroni  
Principal Deputy Under Secretary  
of Defense (Comptroller)

**Attachment**

cc: Office of Management and Budget  
General Accounting Office  
Office of the Inspector General, DoD